Study on UX Design of Omni Channel

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Abstract

Objectives: Invigoration of mobile environment with developed technology of IoT is forming new consumption channel abolishing each independent border. The purpose of this study lies in inducement of implication by analyzing stages of user’s experience within each service and suggesting strategic direction of Omni channel. Methods/Statistical Analysis: This study carried out case analysis of Omni Channel in depth, on the basis of Yin’s theory saying like development of UX-oriented O2O platform, research area which is in a activated phase but lacks typical cases can be studied effectively through qualitative case-study method. Explanation was applied to interviews with relevant people, and case study was applied to analyze the interview contents and associated reports. 3 kinds of patterns were classified into single channel, multi-channel and Omni-channel based on preceding study data by analyzing content of interview and relevant reports applying technique of case study. Findings: Omni channel with diversified service, keyword emerged called “promptness” and “customized”. This is also a characteristic generally appearing in services based on big data at connected era. Eventually, factor for success of new form of marketing called Omni channel is also only limited to tool connecting of customer with online and offline, but shows implication of key for predominance in competition that goes ahead for creating continued customer’s experience. This contains things of making development as an important measure for continuous formation of relationship with customers. This study can find its meaning as a basic material for exploring channel service by analyzing feature of Omni channel focused on views of customer’s experience getting out of view point of prime territories of on and offline. Follow-up studies seems to be needed for developing practical working guideline by developing methodology for materializing continuity of continuous experience beyond the analysis by factor for special feature of Omni channel in the future. Improvements/Applications: Element of characteristics of user’s experience in Omni channel was induced with 1. Acceleration of consuming experience and 2. Extension of platform service experience.

Keywords: Brand Communication, Mobile App, O2O Marketing, Omni Channel, User experience

1. Introduction

According to ‘10 major attentive issues of ICT in 2015’ of KT Economic Research Center¹,², online commerce market through mobile made record of 15 trillion Won pertaining to double of 7.6 trillion won which was the predicted value for ’14 with expectation of rapid growth. Enterprises deem O2O service (Online to Office Service) as the most innovative business issue among the methods of responding to such new consuming environment and are scrambling to O2O commerce.

Online enterprises are already rapidly entering into offline market pertaining to 80% of total commercial transactions, and offline enterprises are also practicing O2O service for Omni Channel positively adopting mobile technology.

Our environment of smart at present is laid at the environment of Big Data by which so much information is generated through maximizing application. IT fusion technique means a technology converging in Internet and mobile platform. Enterprises have become to scramble to researching for new business model through using big data, and commerce was given birth which is form of fusion
of online and offline being one of its results. Territories of online and offline was different territories delivering mutually different values in the past, but, at present, with invigoration of ICT and mobile environment, a phenomenon of abolishing the border is emerging. Enterprise strategy also becomes diversified for satisfying needs with change of consumer's behavior. However, O2O service is not conducted as a convenient tool on the connection line of online and offline, but how to lead persistent customer experience will become an important factor for deciding predominance in competition. In this study, an analysis will be conducted on experience of Omni channel user and a view will be taken of characteristic and value of experiences of each channel, from the view point of attention to change of new consumer's behavior. Method of study included in-depth analysis of case samples based on the theory of Yin method of which is said to be effective in the case of limited study territory to leading case samples despite entering into invigorating stage.

1.1 Definition of Omni Channel Service

Omni channel is a form of distribution channels of on/offline supplementing mutual disadvantages, which means a paradigm of organically integrated new distribution, and development of ICT has generated new change of distribution called "Omni Channel".

Omni means that an enterprise makes approach to customers connecting all channels, which means building structure for best customer service by integrating and analyzing customer data that collect and manage by each channel as a strategy for maximizing the management of customer experience through combination of multi sales channels including shops, web, mobile and social media as seen in Table 1.

<table>
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<tr>
<th>Single-channel</th>
<th>Multi-channel</th>
<th>Omni-channel</th>
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<tr>
<td>Consumption is done at single channel (offline shop)</td>
<td>Consumption is made through various channels being independently operated at offline.</td>
<td>Consumption is made at various Channels of on and offline.</td>
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<tr>
<td>Offline shop only exists</td>
<td>Competition among on/off Channels.</td>
<td>Complementary relation between on/off channels</td>
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Omni channel makes physical restrictions on space lifted for both supplier and consumer and expedites more positive consumption activity. According to data from Korea Chamber of Commerce and Industry of 2015, form of using concurrently on/offline was selected as most preferential keyword compared with mobile shopping, global consumption, and reasonable consumption and malling consumption. This provides an implication that consumer's form of consumption is rapidly changing, and enterprises should provide service that can continue consumer experience.

1.2 Special Feature of O2O Service

Enterprise makes efforts to apply so much big data information to resources for business. Enterprises had applied data warehouse to methodology for working in order to support decision-making of effective business by integrating and managing database within vast organization system in the past. However, such amount of data information is also getting vast with incomparable accumulation to the past added by consumer SNS access records to websites and real-time information at present. IDC, a professional institute for market survey, at “its prospect report on global big data technique and service”, states that amount of digital information was 4.4 trillion bytes (gigabytes) generated in the world in 2013, foreseeing sharp increase to 44 trillion in 2020. Such big data, rapidly making generation, distribution and consumption (use), may be regarded to be very difficult abnormal data as they appear real-time through diversified information channels.

As a result of questionnaire survey conducted targeting about 600 member of serving staff from worldwide IT, 60% of them answered saying that using big data is the core opportunity for enterprises to enhance competitiveness, which has made its importance rapidly expanded also in concerned industry. Like this, big data generated in consumption environment has made enterprises adopt it as core measures for success of business that provides differentiated value to customers. Enterprises have come to the stage of agonizing how to apply so much big data taking on such abnormal character to core resources for business.

1.3 Changed to Consumer Behavior

Enterprise keeps eyes on change of customer behavior through big data in the rapidly changing market
environment. Consumers of the past showed a pattern of attention-interest-desire for buying-action of buying. Depending on whether being prompted for desire of buying after having interest in commodities through ads. In says that such stages of buying commodities have been changed to consumer behavior with the form of AISAS added by stage of “search” between “interest” and “desire” with Emerging of Internet. This indicates that model of consumer behavior has been changed from unilaterial direction “acquirement of passive information” due to exposure of commodity ads to “acquirement of active information” called “search”. However, present Internet information has vast amount of data to the level that reasonable information is difficult to acquire. Thus, enterprises seek business strategy of filtering information centered to online that provides tailored consumption information by prior comprehension of individual's interest. But, a new phenomenon emerges recently that process of filtering consumers’ information is combined with offline with organizational form, without stopping in online. Leading shopping form of it “Shorooming” that practical purchase is made using online or mobile after consumer acquires information on purchasing with no physical experience of commodities at store. This may have merit of buying with correct information at offline and with cheap price at online, but, it gives a disadvantage of waiting a certain length of time until practically receiving commodities. On the other hand, phenomenon “reverse shorooming” also may emerge, a phenomenon of purchasing by visiting offline store after requiring information through Internet. Such change of diversified consumer behaviors is more accelerated with high access coming from mobile environment. Enterprises use big data in order to satisfy consumer's new needs by analyzing such different patterns of consumption, and give birth to a new business model called O2O commerce that organizationally combines advantages of online and offline.

2. Proposed Work

While Omni channel is a form of simple order with delivery service placed in the front at existing form of shopping, Omni channel has special feature that leads expansion of new experience of shopping by equating shopping environments for online and offline.

In other words, as rapid and simple online system only can no more satisfy consumers’ needs, O2O service was born that organizationally combines on and offline as its measure, and marketing direction for O2O service depending on what environment is to be expanded and combined at consumption channel of existing major on and offline. The most important thing at the time of developing Omni channel service is to provide customers with tailored information on shopping through diversified channels for them to easily purchase and receive commodities. However, provision of unwanted information or of information at unwanted time may reduce reliability of this service. As this also may immediately affect brand image, strategy for O2O service through Omni channel will need to provide optimal tailored service through Omni channel.

In this study, observation was conducted focused on case samples from the view point of user's experience, and difference of features was induced for each pattern by separating into 1. Acceleration of consumption experience and 2. Service experience of platform.

2.1 Acceleration of Consumption Experience

Shinsegae Group, being in command of many distribution subsidiaries including E-Mart, Shinsegae Department Store, Traders, etc., constructs Omni channel through SSG dot com that combines department stores and marts into one shown in Figure 1.

It concentrates on providing O2O service using Omni channel by integrating about 150 million commodities that have been dealt with at each territory of online and by providing integrated points of on and offline. Such O2O service is a sample case of advantage of offline to advantage of online with price comparison, cheap price and simplicity of order added by advantage of offline, by which customers can immediately receive commodities.

![Figure 1. Screen image of SSG dot com.(08. 2016)](image)
without waiting a time for practically delivering. This may be deemed to bring profits to both consumer and enterprise, which may eventually bring increase of online consumption using offline through O2O service., and makes enterprises collect information on the area of purchase pattern of consumers and preferential area and be able to use for differentiated marketing and promotion strategy that is made for database.

Lotte Group operates O2O service called “Lotte Smart Pick” connecting between online shopping mall and offline stores. For example, it enables consumers to take commodities purchased at Lotte.com from those like Lotte Department Store, Lotte Super, Seven Eleven, etc. in connection with one another. This may minimize boredom and uneasiness while waiting after ordering commodities, and obtains affirmative response from consumers in that they can physically confirm by eyes and receive commodities. The goal of this program has the purpose of promotion of consumption by offline simply other than by online.

This may enhance the possibility of promoting purchase of other commodities by naturally exposing commodities displayed in store to those consumers who came to take commodities from offline store they bought “Lotte Smart Pick”. In addition to this, Lotte Mart has made consumers be able to be provided with various shopping information including information on store events and discount coupon, etc. by automatically providing various tailored discount coupons according shopping flow when practicing application of “Lotte Mart” at store. Lotte Department Store provides diversified customer convenience services by introducing application of “smart coupon book” in place of paper coupon from 2014. This can be applied for promotion of consumption at offline using O2O service including provision of “tailored shopping” by analyzing individual's shopping style based on “smart beacon service” which is the one based on location.

2.2 Expansion of Platform Service Experience

O2O service began with independent form for marketing activities by enterprises at online or offline, but now, it is being developed as a new business platform connecting consumer and service provider. At Omni channel, communication is made through differentiated service experience from existing multi-channel.

Omni channel contributes to improving overall management of channel including exchange and refund for customers in all channels regardless of purchasing channel in order to satisfy needs of customers who want to receive same service at anytime and anywhere.

SK Planet has attained accumulated amount of transaction within 4 months after launching of “Syrup Pay” which is a simple settling service. “Syrup Pay” is extending its scale combined with “Syrup Order” which is location-based service. “Syrup Order” is a O2O platform service that shows associated companies located within radius 500m based on my location at present and enables customers to order through mobile before going to store and take commodity after paying. SK Planet has attracted 1,200 franchisees and is possessed of 1.5 million members shown in Figure 2.

Never also strengthens customer communication in order to settle down successful shopping platform of O2O.

Naver has made more than 2,000 offline store entering including department stores and outlets for “shop window” service of O2O platform, and constructed online one-stop service by connecting with Naver simple payment system “Naver Pay”. Naver “shop Window” is divided into sundry goods area “style window”, home and tech area “living window” and commodity of delivery from producer “fresh window which is a O2O platform service enabling customers to purchase commodities after witnessing commodities through mobile. Naver concentrates on new business model as a win-win strategy that is said to make offline store advance to mobile through O2O platform service giving a new competitiveness and bring customers an environment to simply purchase reasonable and verified commodities by mutually exchange information shown in Figure 3.

Figure 2. Screen image of Syrup Order.(08. 2016)
beverages and points are automatically accumulated. This service provides more simple and rapid value of experience to consumers. At present, mobile application of “Starbucks Reward” has attained 2 million accumulated members, by strengthening online through O2O service “Siren Order”, sale and profit been promoted, and at the same time, effect may be deemed to have been brought through prevention of escape and creation of customer by using for big data for consumer royalty and management including consumption time zone, preferred branch, preferred beverage and number of visits shown in Figure 4.

3. Conclusion

As a result of analysis of Omni channel with diversified service, keyword emerged called “promptness” and “customized”. This is also a characteristic generally appearing in services based on big data at connected era. Eventually, factor for success of new form of marketing called Omni channel is also only limited to tool connecting of customer with online and offline, but shows implication of key for predominance in competition that goes ahead for creating continued customer’s experience.

This contains things of making development as important measures for continuous formation of relation ship with customers. This study can find its meaning as a basic material for exploring channel service by analyzing feature of Omni channel focused on views of customer’s experience getting out of view point of prime territories of on and offline.

Follow-up studies seems to be needed for developing practical working guideline by developing methodology for materializing continuity of continuous experience beyond the analysis by factor for special feature of Omni channel in the future.

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